

Message Text

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44

ACTION OES-04

INFO OCT-01 AF-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-02

L-03 NSC-05 PA-01 PRS-01 SS-15 HEW-02 STR-04 FTC-01

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P 281222Z OCT 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 5043

C O N F I D E N T I A L KINSHASA 9431

PASS COMMERCE

E.O. 11652: GDS

TAGS: ECON, EINV, CG

SUBJ: PHARMACEUTICAL SECTOR - WARNER-LAMBERT MOVE TO
CONGRESS ON DISCRIMINATORY NATIONALIZATION

REF: KINSHASA 9289

1. ACCORDING MAXWELL OF WARNER-LAMBERT (W-L), DR. CLOSE TOLD HIM CATEGORICALLY DURING OCTOBER 23 MEETING THAT FORMERLY W-L OWNED CHAIN OF FOURTEEN PHARMACIES, PIAF, WOULD BE RETAINED BY GOZ. THIS IN DIRECT REVERSAL OF CLOSE'S EARLIER INDICATION (PARA THREE REFTTEL) THAT MODUS VIVENDI WOULD PROBABLY BE FOUND. IN VIEW OF RETURN OF ALL OTHER NATIONALIZED PHARMACIES (WITH POSSIBLE EXCEPTION OF ONE OTHER FOREIGN-OWNED NON-U.S. CHAIN) TO FORMER OWNERS, MAXWELL SAID HE CABLED W-L HEADQUARTERS IN MORRIS PLAINS, NEW JERSEY, THAT W-L VICTIM OF DISCRIMINATORY NATIONALIZATION. HE RECOMMENDED IMMEDIATE MOVE TO BRING SITUATION TO ATTENTION OF AP-PROPRIATE MEMBERS OF US CONGRESS.

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2. THOUGH PRINCIPLE INVOLVED IMPORTANT, IN LIGHT OF ZAIRES CURRENT FINANCIAL SITUATION, LACK OF ABILITY OR WILLINGNESS TO MAKE PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION COULD, IN PRACTICAL TERMS, CAUSE EQUALLY SERIOUS PROBLEMS IN USG/GOZ RELATIONS. AMOUNT INVOLVED IN W-L CASE COULD VARY BETWEEN \$700,000 (STOCKS TAKEN OVER FROM PHARMACY INVENTORIES) AND \$3.5 MILLION (TOTAL) OF W-L INVESTMENT IN PLANT, RAW MATERIALS AND STOCKS; W-L OFFICIALS UNABLE GIVE SEPARATE ESTIMATE AS TO VALUE OF PHARMACIES). FINAL CLAIM WILL DEPEND UPON W-L'S INTERPRETATION OF GOZ'S LONG-TERM INTENTIONS AND THE IMPACT OF GOZ'S ACTIONS ON W-L'S ABILITY TO REALIZE RETURNS ON ITS INVESTMENT.

3. COMMENT: ALTHOUGH MAXWELL SAID HE SENT CABLE DESCRIBED PARA 1 ABOVE, WHEN ASKED FOR COPY, HE BECAME SOMEWHAT EQUIVOCAL. THUS, HE MAY NOT HAVE SENT IT OR, IF HE DID, MAY NOT HAVE USED STRONG LANGUAGE HE INDICATED TO US. END COMMENT.

WALKER

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Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
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Margaret P. Grafeld
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